



***TAKING THE US-INDIA  
RELATIONSHIP TO THE NEXT LEVEL***

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The relationship with India is “the most important for the United States in the 21<sup>st</sup> century,” [said](#) Kurt Campbell, the Biden administration’s National Security Council Coordinator for the Indo-Pacific, last month. President Biden made [similar comments](#) earlier in 2022, and the recently published US strategic reviews also talk about the importance of India. The US *National Security Strategy*, for instance, [states](#) that, “As India is the world’s largest democracy and a Major Defense Partner, the United States and India will work together, bilaterally and multilaterally, to support our shared vision for a free and open Indo-Pacific.”

Numerous reasons explain this enthusiasm for US-India rapprochement. Even though differences between the two countries are many (notably development level), similarities also abound. Both are big countries with a large and diverse population, both are democracies and both have vibrant civil societies and incredibly innovative communities, especially in technology.

Recently, Washington and New Delhi have capitalized on these similarities. They have strengthened their ties across the board to address regional and global problems from COVID-19 vaccines to climate change through bilateral and plurilateral mechanisms.

## **It’s about China**

The primary catalyst for cooperation, however, has been their converging approach towards China, which both the United States and India have come to regard as a major competitor and, increasingly, a foe. To the United States, China is “[the pacing challenge](#)” which now determines most US foreign policy decisions, even after Moscow’s invasion of Ukraine. Similarly, to India, even as Pakistan remains a major concern, China has become its main rival, especially due to recurring incidents over the Line of Actual Control (LAC).

The US-India relationship has thus flourished through the prism of competition with China, though this remains largely implicit. Washington and New Delhi have strengthened their political and economic relationship with Beijing in mind and boosted security cooperation, including through active participation in the Quadrilateral Security Dialogue (“Quad”) with Australia and Japan. Washington and New Delhi have also enhanced military ties through army exercises such as the [Yudh Abhyas](#), which recently took place in Auli, about 100 kilometers from the LAC, and naval exercises like [Malabar](#), now also including Australia and Japan, and the 26-country [RIMPAC exercise](#).

That said, for the US-India relationship to reach its full potential Washington and New Delhi must address fundamental issues and two important challenges.

## **The obstacles ahead**

A trust deficit persists on each side about the other’s commitment to countering China. The United States is concerned by India’s longstanding policy of “strategic autonomy.” Washington fears this policy means New Delhi may not always be all-in in competition against Beijing.

India is troubled by the US interest in competing with China while leaving the door open to dialogue. New Delhi worries Washington and Beijing will find a bilateral *modus vivendi* leaving India (and others) hung out to dry. New Delhi’s concerns are especially

strong because, at times, Washington sends mixed signals about its commitment to a flourishing relationship with India. Washington, for instance, has said little about the LAC incidents and not yet appointing an ambassador to India.

Two challenges compound this trust deficit. First is India's relationship with Russia, its partner since early in the Cold War. Today, their partnership lives on through defense, crude, and fertilizer trade cooperation, to the great displeasure of the United States. In 2023, for instance, India will [receive](#) the first tranche of the Russian-made S-400 missile systems, a decision Washington has criticized but tolerated, waiving sanctions mandated by the 2017 US law on [Countering America's Adversaries Through Sanctions Act](#). India's refusal, despite US efforts, to join sanctions against Russia over its invasion of Ukraine further [complicates](#) the relationship, especially as Indian imports of Russian oil have since increased.

The second challenge is the US relationship with Pakistan, India's longtime adversary. India has never been comfortable with the US-Pakistan partnership, and recently lambasted the [US decision](#) to help modernize Islamabad's fleet of F-16 fighter jets. Indian External Affairs Minister Subrahmanyam Jaishankar [said](#) the US explanation that this will help counterterrorism operations "is not fooling anybody" and suggested Pakistan will deploy the upgraded fighters against India.

### Managing problems

Thankfully, the United States and India are not powerless in the face of these problems.

Both countries should begin by reassuring the other that their willingness to counter China is strong and here to stay—because it is. New Delhi should make clear that pursuing strategic autonomy does not mean equivocating about strategic competition with China but, rather, that India will compete (and thus cooperate with the United States) in a manner that maintains its independence.

Washington should be equally clear that openness to dialogue with China is not mutually exclusive with commitment to competition, and that US-China dialogue, should it happen, would help manage that competition, as in the US-Soviet context during the Cold War, and not come at the expense of India or any other US partner.

The United States and India should also accept that, for now, the Russia and Pakistan challenges strain their relationship, but should rethink their approach to these challenges.

Washington should offer New Delhi alternative suppliers to Russia, especially as Indian officials look for diversification, notably in defense; the good news is US officials have [said](#) Washington and others would do just that. In the meantime, Washington should view New Delhi's S-400 acquisition as a way of enhancing Indian defenses against China.

New Delhi should trust that Washington cooperates with Islamabad solely to improve counterterrorism. Furthermore, the F-16 deal should illuminate that to shape US choices (and avoid having to face some it dislikes), India should develop a much tighter relationship with the United States.

### Seizing opportunities

The two countries should also leverage the opportunities the new year presents.

With India now chairing the G20 and finding its place on the world stage, Washington should double-down on support for New Delhi's bids for a permanent seat at the United Nations Security Council and membership of the Nuclear Suppliers Group.

Together, Washington and New Delhi should also reimagine India's place in the Indo-Pacific, away from its sole, limited role in South Asia. This can be achieved through the recently launched US [Indo-Pacific Economic Framework for Prosperity](#) and supply chain diversification projects, which have begun positioning India as an economic bulwark against China. With the United States and India out of the [Comprehensive and Progressive Agreement for Trans-Pacific Partnership](#) and [Regional](#)

[Comprehensive Economic Partnership](#), increasing economic cooperation bilaterally and through plurilateral platforms will be critical.

Moreover, as the United States forges ahead with concepts such as [friend-shoring](#), India's macro-economic strength should make it a perfect candidate for diversification. Since 2020, several trade promotion agencies have lobbied US companies to shift production out of China. While challenges remain, India and others (notably Vietnam) are good alternatives to China. India is especially attractive for its sheer market size of a billion-plus. (Of note, India's population is set to overtake China's this year, and it is young—most Indians are under 35.)

That process has already begun. For instance, in 2021 Apple [shifted](#) some of its production to India through its contract manufacturer Foxconn. Apple now manufactures iPhones and other products in Chennai and plans to move 25% of its entire production to India as part of "[China Plus One](#)," a business strategy to avoid investing only in China. Following its lead are companies like [First Solar](#) (solar PV manufacturer) and [Amazon](#), which have increased their investments in India.

More generally, as the United States implements the reshoring of manufacturing across the country through legislation such as the [Inflation Reduction Act](#) and [CHIPS and Science Act](#), Indian engineers and scientists can play an instrumental role. That should provide an impetus for Congress to rethink immigration policy, which affects large swathes of the Indian diaspora in the United States. Since 2020, for instance, Indian workers have had to [wait](#) several months for a visa appointment at US consulates.

This is important: former US Ambassador to India Richard Verma [characterized](#) the Indian diaspora as a potent force in taking the US-India relationship to the next level. Yet successive administrations have failed to capitalize on that potential, costing America talent. Fixing the immigration system should thus be a priority for the United States.

In 2022, the United States and India celebrated 75 years of diplomatic relations. Looking ahead, the

United States and India can further strengthen their relationship, notably as competition with China is intensifying. But it will require the two countries to manage outstanding problems carefully and seize the opportunities before them. As 2023 begins, they should do so relentlessly.

*PacNet commentaries and responses represent the views of the respective authors. Alternative viewpoints are always welcomed and encouraged.*